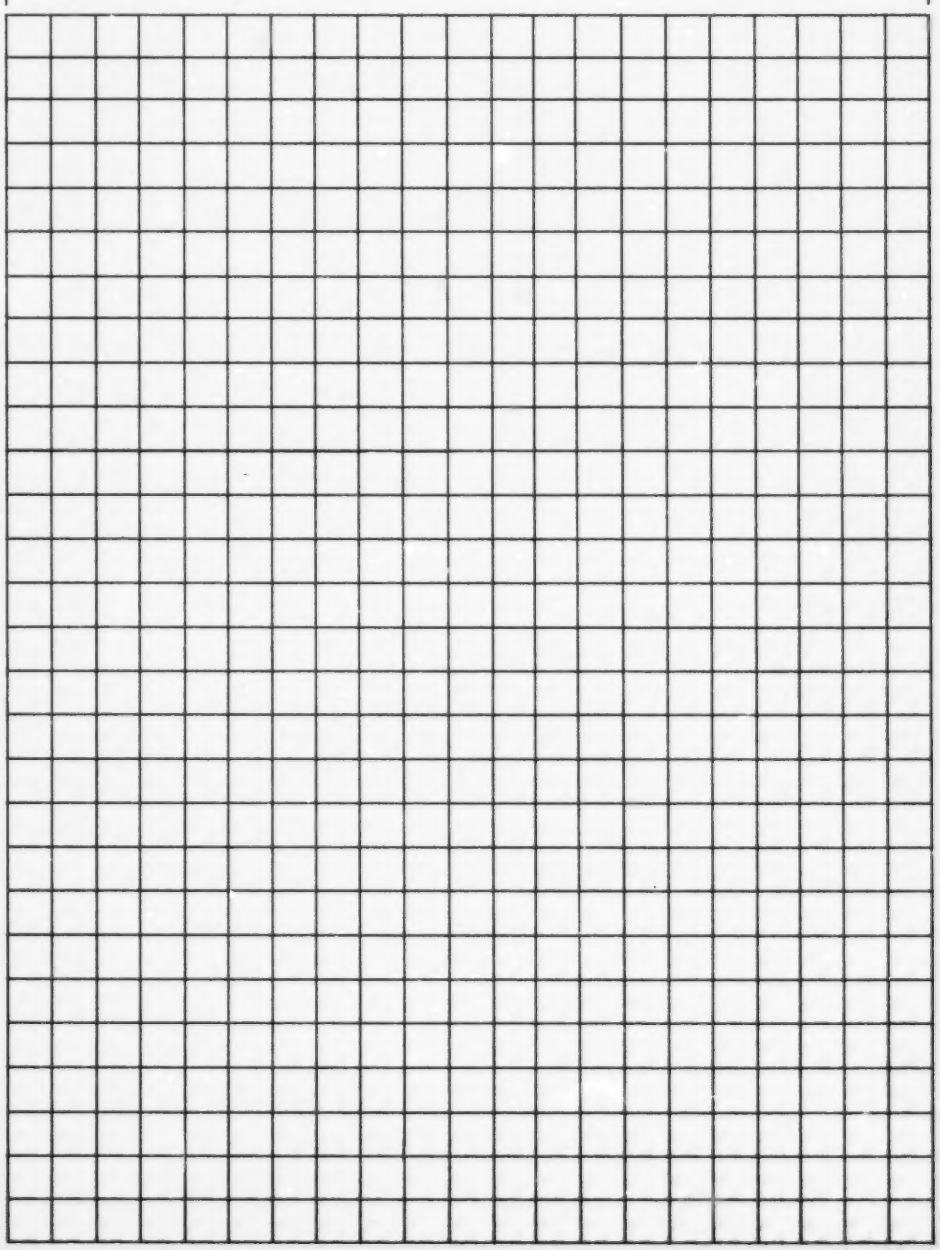
Small Business Development Corporation

For the year ended March 31, 1985



Department of Development

Nova Scotia

87-03243/

Chairman's Report

Small Business
Development Corporation

Nova Scotia

Department of Development

Small Business
Development Corporation

October 15, 1985

The Honourable Roland J. Thornhill
Minister of Development
Nova Scotia Department of Development
Province of Nova Scotia
Halifax, Nova Scotia

Dear Mr. Minister:

I am pleased to present, on behalf of the Board of Directors of the Small Business Development Corporation, our Audited Financial Statements for the fiscal year ended March 31, 1985.

During the year, the Board approved financing for 109 projects totalling $6.3 million in Small Business Development Corporation assistance to various small businesses throughout the Province. These projects involved slightly over 1,000 jobs, including both new and maintenance of existing employment. The figures reflect favourably in comparison with the corresponding results for the preceding year.

On behalf of the Directors, I wish to express our appreciation of the contribution made by Miss Helen Gillis during her four-year tenure with the Board. Miss Gillis resigned in February, 1985, to accept a position as Judge with the Court of Canadian Citizenship.

I would also like to extend my thanks to the Directors, Officers, and Staff of the Corporation for their dedication and support during the year. In addition, I am pleased to welcome Mr. G.R. Muise and Mr. E. MacIntosh as new members of the Board.

Respectfully submitted,

Frank T. Barber

Frank T. Barber
Chairman

Nova Scotia Department of Development
Dartmouth Professional Centre, Suite 100, 277 Pleasant Street, Dartmouth, Nova Scotia, B2Y 4B7 Telephone (902) 424-4920

Small Business
Development Corporation

"There is hereby established a body corporate to be known as the Small Business Development Corporation. The Corporation may, subject to the regulations, render to small business financial assistance, or such other assistance as may be determined by the regulations, which in the opinion of the Board will encourage, sustain, improve or develop small businesses in the Province."

The Small Business Development Corporation reports to the Legislature through:

The Minister of Development
The Hon. Roland J. Thornhill
Province of Nova Scotia

Board of Directors

Small Business
Development Corporation

"The general administration of the affairs, property and assets of the Corporation is vested in the Board." (Small Business Development Act)

F.T. Barber	**Chairman**
R.E. Barkhouse	**Directors**
F.C. Bettens	
R.P. Dexter	
O.P. Harkins	
D. Hill	
M. Kelly	
D.L. Macaulay	
E. MacIntosh	
G.R. Muise	
H. Norve	
J.P. O'Neil	
F.B. Peters	
R.A. Prest	
R. Publicover	
R.J. Thornhill	
W.T. Withers	

Administration

H.W. Clarke	**Executive Director**
D.G. Holland	**Assistant Director and Secretary**
M. Howie	**Legal Counsel**

Auditor's Report

Small Business Development Fund

Nova Scotia

Auditor General

PO Box 793
Halifax, Nova Scotia
B3J 2V2

AUDITOR'S REPORT

To the Chairman and Directors of the
Small Business Development Corporation, and to
the Minister of Development

I have examined the balance sheet of the Small Business Development Corporation as at March 31, 1985 and the statement of continuity of fund for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Small Business Development Corporation as at March 31, 1985 and the continuity of the fund for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

O.P. Cormier

O.P. Cormier, F.C.A.
Auditor General

Halifax, Nova Scotia
August 9, 1985

Small Business Development Corporation

Balance Sheet
As at March 31, 1985

Small Business Development Fund

Assets

	1985	1984
Loans receivable (Note 3)	$14,646,802	$12,692,456
Due from Consolidated Fund		
Loans authorized but unadvanced	2,135,866	2,142,545
Guarantees (Note 4)	1,004,435	1,040,000
Free balance	2,416,344	5,518,184
	5,556,645	8,700,729
	$20,203,447	**$21,393,185**

Liabilities and Fund Equity

Accounts payable	$ -	$ 1,402
Small Business Development Fund	22,302,269	22,710,082
Less: Allowance for doubtful accounts	2,098,822	1,318,299
	20,203,447	21,391,783
	$20,203,447	**$21,393,185**

Approved on Behalf of the Board

Small Business Development Corporation

J. Barber Chairman

Member

Department of Development
Province of Nova Scotia

Statement of Continuity of Fund

For the year ended March 31, 1985

Small Business Development Fund

	1985	1984
Balance, beginning of year	$22,710,082	$14,980,783
Add: Authorizations during the year	-	8,000,000
	22,710,082	22,980,783
Less: Accounts written off	407,813	270,701
Balance, end of year	**$22,302,269**	**$22,710,082**
Comprising		
Loans advanced and guarantees in effect	$17,027,204	$14,488,509
Loans authorized but unadvanced and guarantees not in effect	2,858,721	2,704,791
Free balance	2,416,344	5,518,184
Accounts payable	-	(1,402)
	$22,302,269	**$22,710,082**

Small Business Development Corporation

Department of Development
Province of Nova Scotia

Notes to Financial Statements

Small Business Development Fund

1. Authority and Objective

The Small Business Development Fund was established pursuant to the Small Business Development Act. The purpose of the Fund is to finance the activities of the Small Business Development Corporation.

The objective of the Corporation is to promote the economic well-being of the Province by rendering financial assistance to small business.

2. Accounting Policies

Administrative Expenses

The revenues and expenses relating to the administration of the Small Business Development Fund are provided for by the Department of Development and charged to the Other Agencies vote of the Department. These revenues and expenses are not reflected in these financial statements.

3. Loans receivable

	1985	1984
Loans receivable	$15,408,749	$13,224,023
Foreclosed assets and properties held for sale	483,799	457,374
Deficiency balances	434,011	329,358
	16,326,559	14,010,755
Less: Allowance for doubtful accounts	1,679,757	1,318,299
	$14,646,802	**$12,692,456**

Small Business Development Corporation

Notes to Financial Statements

Small Business Development Fund

4 . Guarantees

	1985	1984
Guarantees in effect	$ 700,645	$ 477,754
Guarantees not in effect	722,855	562,246
	1,423,500	1,040,000
Less: Allowance for guarantees likely to be honoured	419,065	-
	$1,004,435	**$1,040,000**

Commencing in the current year, the Corporation has assessed the guarantees in effect and determined that they will likely be required to honour guarantees of $419,065 with little possibility of recovery.

Small Business Development Corporation

Small Business
Development Corporation

Authorization by Industry Sector		1985 %	1985 Amount	1984 %	1984 Amount
Manufacturing	Metal Fabrication & Machinery	9	$ 592,500	18	$1,192,000
	Wood, Plastic & Concrete	7	448,500	15	983,000
	Food (including Fish Processing)	13	801,000	6	437,000
	Electronics	4	254,000	5	348,000
	Marine Related	4	215,000	2	160,000
	Printing & Related	2	116,000	1	30,000
	Miscellaneous	1	91,000	1	75,000
	SubTotal	**40**	**$2,518,000**	**48**	**$3,225,000**
Services	Tourist and Entertainment	12	$ 791,000	15	$ 982,500
	Transportation	11	703,000	5	361,500
	Offshore	4	250,000	4	255,000
	Business and Personal	4	268,500	3	222,400
	Agriculture	5	310,000	3	205,000
	Construction	2	142,000	2	130,000
	Miscellaneous	1	11,000	1	49,500
	SubTotal	**39**	$2,475,500	**33**	$2,205,900
Trade	Retail & Wholesale SubTotal	**21**	$1,354,000	**19**	$1,310,500
Total Authorizations		**100**	**$6,347,500**	**100**	**$6,741,400**

Small Business
Development Corporation

Applications and Authorizations	1985 #	1985 Amount	1984 #	1984 Amount
Total Applications Processed	166	$11,051,002	138	$9,976,065
Average Amount		$ 66,572		$ 72,290
Applications Authorized	109	$ 6,347,500	87	$6,741,400
% of Total	66%	57%	63%	68%
Applications Declined	20	$ 1,391,020	22	$1,291,225
% of Total	12%	13%	16%	13%
Applications Withdrawn and Deferred	37	$ 3,312,482	29	$1,943,440
% of Total	22%	30%	21%	19%

Purpose of Authorizations	%	Amount	%	Amount
To Establish a New Business	24	$ 1,533,000	21	$1,429,900
To Expand an Existing Business	68	$ 4,303,500	67	$4,533,500
Other Miscellaneous Purposes	8	$ 511,000	12	$ 778,000

Small Business
Development Corporation

Distribution of Authorizations by Size		1985 #	1985 %	1984 #	1984 %
$0 to	$25,000	36	33	24	28
$25,000 to	$50,000	33	30	23	26
$50,000 to	$100,000	19	17	18	21
$100,000 to	$250,000	21	20	22	25
	Total	**109**	**100**	**87**	**100**

Distribution of Authorizations by Project and Source		%	Amount	%	Amount
Project Cost	Land and Buildings	43	$4,214,411	48	$ 5,134,482
	Machinery & Vehicles	29	2,868,139	24	2,596,833
	Working Capital	27	2,567,620	26	2,793,917
	Miscellaneous	1	116,800	2	255,000
	Total	**100**	**$9,766,970**	**100**	**$10,780,732**
Financing	SBDC-Loan	57	$5,524,000	56	$6,066,400
	SBDC-Guarantee	8	823,500	6	675,000
	New Equity Investment	16	1,581,839	14	1,470,866
	Other Lenders	8	781,500	11	1,129,000
	Miscellaneous	11	1,056,131	13	1,439,466
	Total	**100**	**$9,766,970**	**100**	**$10,780,732**

Offices

Small Business
Development Corporation

Main Office

Dartmouth Professional Centre
277 Pleasant Street, Suite 100
Dartmouth, Nova Scotia
B2Y 4B7

902-424-4920

and co-ordinated with

Department of Development Regional Offices

Cape Breton	539-4768	295 Charlotte St., **Sydney,** B1P 1C6
Strait of Canso	625-3200	Professional Bldg., Church Street, **Port Hawkesbury,** B0E 2V0
	863-5707	Antigonish Municipal Bldg., 42 West St., **Antigonish,** B2G 2H5
Metro/East	424-6767	1800 Argyle St., P.O. Box 519 **Halifax,** B3J 2R7
Northumberland	662-3339	Admin. Bldg., Debert Air Industrial Park, Box 100, **Debert,** B0M 1G0
	752-1011	56 Provost St., P.O. Box 1021 **New Glasgow,** B2H 5N8
	667-3223	40 Anson Ave., Amherst Industrial Park, **Amherst,** B4H 4A1
South Coast	543-9121	Provincial Bldg., 99 High St., **Bridgewater,** B4V 1V8
	742-8404	Provincial Bldg., 10 Starrs Rd., **Yarmouth,** B5A 2T1
Valley	678-3386	Annapolis Valley Industrial Mall, Box 524, **Kentville,** B4N 3X3
	825-4545	131 Commercial St., Box 39, **Middleton,** B0S 1P0